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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of

Policies and Rules Regarding  
Minority and Female Ownership of  
Mass Media Facilities

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MM Docket No. 94-149

MM Docket No. 91-140

COMMENTS OF  
AMERICAN WOMEN IN RADIO AND TELEVISION, INC.

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Dated: May 17, 1995

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## SUMMARY

Existing data on female ownership of mass media facilities demonstrate that women face significant barriers to ownership of mass media facilities. The 1987 census revealed that women owned and controlled only 1.9% of all television stations. Only 3.8% of radio stations were owned and controlled by women at the time of the census. A substantial government interest exists in removing the barriers to capital that have limited the economic opportunities for mass media ownership by women and to promote viewpoint diversity.

Studies on women business ownership and the glass ceiling faced by women in obtaining positions of corporate governance indicate that the barriers women confront in entering the mass media industry are gender-based, not performance-based. Although women-owned businesses frequently use banks as a source of capital, fully two-thirds of women business owners report difficulties in working with financial institutions. One-third of women business owners perceive some degree of gender-based discrimination in seeking financing from financial institutions. Women-owned businesses also have encountered difficulties in accessing the venture capital market -- an important source of funding for mass media acquisitions. In 1993, less than 1% of the \$3 billion invested by venture capitalists was received by women-owned businesses. The initiatives proposed by the Commission in the Notice will help eradicate the barriers to capital faced by women and to promote viewpoint diversity.

AWRT urges the Commission to:

- (1) adopt an incubator program to facilitate incubation of women-owned companies;
- (2) relax the attribution rules to be consistent with the Commissions' competitive bidding rules for women-owned companies bidding for PCS licenses; and
- (3) extend the ownership cap limits for attributable investments in minority-owned stations and for minority-owned stations to women.

Finally, AWRT encourages the Commission to conduct a study on the current level of women ownership of communications establishments and to amend its Annual Ownership Report Form 323 to collect data on the race and gender of owners.

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COMMENTS OF  
AMERICAN WOMEN IN RADIO AND TELEVISION, INC.

American Women in Radio and Television, Inc. ("AWRT") hereby files its comments in support of the Commission's adoption of policies that will provide direct incentives to increase the level of female ownership of mass media facilities.<sup>1</sup> In the Notice of Proposed Rulemaking (the "Notice"), the Commission proposes to adopt initiatives that will increase mass media ownership by women and minorities. There is a strong governmental interest in adopting policies for women to remedy the discrimination that women face in accessing the capital necessary to enter the communications industry.

Despite the tremendous gains that women have made in business ownership generally, similar strides have not been made by women in the mass media industry. The significant cost of entry into the mass media business combined with the barriers and discrimination that women face in accessing capital and in reaching high level positions of corporate governance have produced the low level of female ownership of mass media facilities. The ownership of

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<sup>1</sup> AWRT's comments are limited to policies proposed by the Commission to promote female ownership of mass media facilities. AWRT supports a similar extension of these policies to minorities.

mass media facilities by women is well below the level of business ownership by women generally, and well below the level of participation of women in the industry. Accordingly, there is a significant government interest in the adoption of policies by the Commission that will provide incentives for women to acquire and own mass media facilities. In addition, policies to promote female ownership of mass media facilities are permissible as a constitutional means of promoting viewpoint diversity.

## **I. INTRODUCTION**

AWRT is a non-profit, national organization of professional women and men who work in radio, television, cable, advertising -- essentially the electronic media -- and closely allied fields. The mission of AWRT is to enhance the impact of women in the electronic media and allied fields by educating, advocating, and acting as a resource to its members and the industry. Since 1951, AWRT has worked to promote the entry and advancement of women in the management and ownership of broadcast, cable and other communications networks. Besides conducting its own educational and professional development activities to promote and facilitate ownership and management of communications media by women, AWRT co-sponsored with the Commission the two highly successful symposia: "Women in the Telecommunications Marketplace" and "The Women Entrepreneur."

In addition to its extensive experience with the problems and discrimination historically encountered by women in the broadcast industry, AWRT has a unique ability to present the views of women directly affected by the issues in the Notice. Many AWRT members are currently and/or have been owners of and applicants for broadcast stations or are considering acquisition of stations in the near future. Through its involvement as an advocate

for women in the communications industry, AWRT has witnessed through its members the discrimination women face in entering the communications industry and in raising capital. Available statistics document that discrimination and provide an ample basis for the adoption of the initiatives proposed by the Commission in the Notice.

**II. EXISTING DATA DEMONSTRATES THAT WOMEN ARE SIGNIFICANTLY UNDER-REPRESENTED IN OWNERSHIP OF MASS MEDIA FACILITIES --  
ADDITIONAL DATA SHOULD BE COLLECTED**

AWRT commends the Commission for proposing to adopt initiatives to promote the ownership of mass media facilities by women. In the Notice, the Commission requests data on the level of female ownership of mass media properties. The Commission states that its adoption of policies for women will be based on the submission of such data.<sup>2</sup>

AWRT has researched the available data on women ownership of mass media facilities which is not collected by either the FCC or the National Telecommunications and Information Administration ("NTIA") but only by the Bureau of the Census. It is significant that there is no systematic collection of ownership data for women in the communications industry despite reporting and licensing requirements administered by the FCC and ongoing efforts at data collection on minority ownership by NTIA. AWRT is submitting with its comments the available data on women ownership of mass media facilities. AWRT also has requested that the FCC and NTIA conduct a study to document the current level of female ownership of communications establishments and to identify the barriers women face in raising capital and full participation in the communications industry. (A copy of AWRT's formal request for a study is attached as Exhibit 1).

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<sup>2</sup> Notice at n.20.



**A.     The Latest Available Data Demonstrates That Women Face Significant Barriers To Mass Media Ownership**

Statistics demonstrate that women face significant barriers in acquiring mass media properties. The latest available data documenting women-ownership of mass media facilities is the 1987 census.<sup>3</sup> The census data reveal that women are significantly under-represented in the ownership of communications properties including radio, television and mass media facilities. In 1987, only 27 television stations were owned and controlled by women out of 1,342 television stations operating in the United States.<sup>4</sup> In 1987 therefore only 1.9% of all television stations were owned and controlled by women. Out of the 10,244 radio stations operating in the United States at that time only 394, or 3.8% of all radio stations, were owned 50% or more by women.<sup>5</sup> Thus, in 1987, only 420 out of a total of 11,586 broadcast stations were owned and controlled by women.

Other studies confirm the low level of representation of women in the ownership ranks of broadcast facilities. A 1988 Congressional Research Service study found that women had a 51% or greater ownership interest in 7.1% of the broadcast stations surveyed.<sup>6</sup> The statistics on women ownership of mass media facilities stand in stark contrast to the strides that women

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<sup>3</sup> More recent statistics on women-owned businesses that will include a break down of communications ownership is expected to be released by the U.S. Census in July, 1995. AWRT will submit an analysis of this data to the Commission when it is released.

<sup>4</sup> See 1987 Economic Censuses, "Women-Owned Businesses," WB87-1, U.S. Department of Commerce, Bureau of the Census, August 1990, U.S. Department of Commerce (1990) (based on 1987 Census); see also 1988 *Broadcasting and Cable Yearbook*, p. A.2. A copy of the 1987 Census report is attached as Exhibit 2.

<sup>5</sup> *Id.*

<sup>6</sup> Congressional Research Service, *Minority Broadcasting Station Ownership and Broadcast Programming: Is There a Nexus?* (1988).

have made in business ownership generally. The National Foundation of Women Business Owners ("NFWBO") estimates that as of 1994, there were 7.7 million women-owned businesses in the United States.<sup>7</sup>

When small businesses -- an area of significant growth for women<sup>8</sup> -- are analyzed, the data reveal that in 1987 women owned only 7,899 of the over 4 million U.S. small businesses operating in the communications services.<sup>9</sup> When firms without paid employees are excluded, women own only 14.6% (1,098 of 7,542) of the small firms in communications businesses. Even these numbers, however, overstate the number of women-owned businesses in mass media. Communications firms, as defined by the Department of Commerce in its report, include television and radio broadcast firms as well as telecommunications companies. Nonetheless, of all small businesses owned by women, only 0.19% were communications businesses.<sup>10</sup>

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<sup>7</sup> National Foundation for Women Business Owners & Dun and Bradstreet Information Services, *Women-Owned Businesses: Breaking the Boundaries The Progress and Achievement of Women-Owned Enterprises* (April 1995) at 4 ("Breaking the Boundaries"). A copy of *Breaking the Boundaries* is attached as Exhibit 3.

<sup>8</sup> Thirty-two percent of small businesses were owned by women in 1991 according to the Small Business Administration. See *Women Business Owners*, Congressional Caucus on Women's Issues (1992).

<sup>9</sup> See Exhibit 2, Tables 10 and 1, respectively, SIC Code 48 (Communication).

<sup>10</sup> Exhibit 2, Table 1 ( $7899/4114787 = 0.19$ ). For firms with paid employees, women-owned communications firms constituted 0.17% of all small businesses owned by women. *Id.*

**B. Women Encounter the Same Barriers as Minorities  
to Mass Media Ownership**

In the area of communications, women have encountered the same barriers encountered by minorities and are similarly under-represented in the Censuses industry group Transportation, Communications, and Public Utilities as shown in the following chart.

**Major Industry Group  
Transportation, Communications, and Public Utilities**

Category		All Firms	Firms With Employees	
	#	%	#	%
All U.S. Firms	592,751	100.00	133151	100.00
Women-Owned Firms	79,768	13.50	19083	14.30
Minority Firms	76,700	12.95	10291	7.70

[U.S. Department of Commerce, Bureau of the Census, 1987 Economic Censuses. Includes individual proprietorships, partnership and subchapter S corporations.]

Women are even more under-represented than minorities across all firms in this industry group when one considers that women comprised 51% of the population in 1990, whereas minorities comprised 24.4% of the 1990 population. Consequently, women have just as great a need as minorities for incentives to promote female ownership of mass media facilities.

**C.     The Commission Should Amend Its Ownership Report To  
Include A Designation Of The Gender And Race Of The Owner  
And Conduct A Study Of Women In Communications**

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To monitor the progress of women in the mass media industry and the effectiveness of the Commission's policies, AWRT urges the Commission to amend its Annual Ownership Report Form 323 to include a designation of the gender and race of the owner. Other than through analysis of Census data there is no data collected on the level of ownership of communications establishments by women. Data are collected by NTIA for minorities as evidenced in the Notice.<sup>11</sup> NTIA's data collection effort has provided a firm foundation for the Commission's policies to increase minority ownership. Such an effort has not been undertaken for women since the study conducted by Congressional Research Service in 1988. Since 1991, AWRT has requested that the Commission collect such data and perform such a study.<sup>12</sup>

Amendment of Form 323 provides an appropriate and reasonable vehicle for the collection of ownership data. Data on employment by broadcasters is already collected on an annual basis to identify industry employment patterns. Amendment of the Annual Ownership Form would provide a statistically valid means of assessing the responsiveness to Commission

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<sup>11</sup> Notice at ¶ 5 (citing statistics on minority ownership from 1994 NTIA report on minority ownership).

<sup>12</sup> See *Comments of AWRT*, In re Revision of Radio Rules and Policies, MM Docket No. 91-140 (Aug. 5, 1991) at 5 (urging Commission to conduct statistical study of numbers of women who owned broadcast facilities and women in top management positions); *Reply Comments of AWRT*, In the Matter of Reexamination of the Policy Statement on Comparative Broadcast Hearings, GC Docket No. 92-52 (Aug. 22, 1994) at 6 (urging Commission to conduct a survey and study on the current level of women ownership of broadcast facilities); see also Exhibit 1 attached hereto.

policies and ultimately for determining when those policies have achieved their goal and can be terminated.<sup>13</sup>

In order to provide a current baseline of female ownership in the mass media industry, AWRP further urges the Commission to require all broadcast radio and television stations to submit a revised Form 323 as soon as possible. While approval of the Form change by the Office of Management and Budget ("OMB") will be required, OMB can expedite approval of form changes pursuant to 5 C.F.R. 1320.18. Expedited approval is permitted under 5 C.F.R. § 1320.18 when it is essential to the mission of the agency and public harm would result if informal procedures were followed. The collection of current ownership data is essential to the Commission's consideration of policies in this proceeding and to the Commission's goal of achieving diversity in mass media ownership. In addition, without this data Commission action in this proceeding could harm the public interest by creating policies whose progress can not be monitored. Good policy cannot be created in a vacuum. The latest ownership data available indicates a significant under-representation of women in ownership of mass media facilities. Conditions cannot be presumed to have changed without data demonstrating improvement.

Moreover, there is precedent for expedited OMB approval of a Commission form change. In 1988, OMB approved the Commission's request for a one-time collection of data

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<sup>13</sup> As recognized by the Federal Glass Ceiling Commission, only the public sector has the resources to gather national, regional and state data on education, status in the workforce and compensation. See The Federal Glass Ceiling Commission, *Good for Business: Making Full Use of the Nation's Human Capital*, Washington, D.C. (March 1995) at 29 ("Glass Ceiling Report"). The same is true for ownership data.

on minority and women ownership of broadcast stations.<sup>14</sup> OMB's ruling was based on the fact that the information to be collected by the FCC was not duplicative of information collected by other agencies and that the burden on the stations was minimal.<sup>15</sup>

### **III. AN ECONOMIC RATIONALE EXISTS FOR THE ADOPTION OF INITIATIVES TO PROMOTE FEMALE OWNERSHIP OF MASS MEDIA FACILITIES**

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#### **A. Women Face Significant Barriers To Capital That Impede Their Ownership Of Mass Media Facilities**

##### **1. The Statistics**

Ownership of mass media facilities requires significant capital. In 1992, the average purchase price for a television station was \$3 million.<sup>16</sup> The average purchase price for a radio station in 1992 was \$2 million.<sup>17</sup> In its recently released report, *Capital Formation and Investment in Minority Business Enterprises In the Telecommunications Industry*, NTIA confirmed that the telecommunications sector -- which it defined to include radio, television and cable -- is a sector that is capital intensive.<sup>18</sup> Based on their gender, women today confront significant barriers in raising the amount of capital necessary to seize the ownership

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<sup>14</sup> 1988 CRS Report at 48.

<sup>15</sup> *Id.* at 50.

<sup>16</sup> Julie A. Zier, *Station Prices Up Sharply Over 1992*, Broadcasting and Cable, Sept. 6, 1993 at 40.

<sup>17</sup> *Id.*

<sup>18</sup> *Capital Formation and Investment in Minority Business Enterprises In the Telecommunications Industries*, U.S. Department of Commerce, The National Telecommunications and Information Administration Office of Policy Analysis and Development Minority Telecommunications Development Program, (April 1995) at iii ("NTIA Capital Report"). A similar study is warranted but has not been performed on the capital formation and investment in women-owned businesses in the telecommunications industry.

opportunity. This lack of access to capital has contributed directly to the low level of female ownership of mass media facilities.

Studies confirm that barriers in access to capital is a critical issue that prevents entry by women into capital-intensive industries such as mass media and telecommunications. After extensive study, the National Women's Business Council ("NWBC") in its 1992 Report to the President and Congress cited the lack of access to capital as the most pervasive barrier to success for women business owners.<sup>19</sup> In its study of the opportunity for women in telecommunications, access to capital also was cited by the NWBC as one of the impediments to women entering telecommunications.

Evidence on women-owned businesses generally suggests that the barrier to capital faced by women attempting to enter the mass media facilities is based on their gender. In 1994, 59% of the members of the National Association of Women Business Owners ("NAWBO") reported that they were in the market for financing. Forty-four percent reported that capital availability is a current problem for their business.<sup>20</sup> In addition, 41% of the members of the NAWBO rated access to capital as one of the most important concerns they face.

The industry segments where women-owned businesses are concentrated and the sources of capital used by women-owned businesses demonstrate the disadvantages that women face in accessing capital sources traditionally used by male-owned businesses in the

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<sup>19</sup> National Women's Business Council, Annual Report to the President and Congress (1992) at 11 ("NWBC Report"). A copy of the NWBC Report is attached as Exhibit 4.

<sup>20</sup> 1994 Membership Survey of the National Association of Women Business Owners at 2. (A copy of the 1994 Membership Survey is attached as Exhibit 5).

communications industry. Historically, women-owned businesses have been concentrated in the retail trade and services -- areas that require a lower level of capitalization. The NFWBO further estimates that 72.5% of women-owned firms in the U.S. are in the retail trade and services industries.<sup>21</sup>

The NFWBO reported in 1992 that 52% of women business owners used credit cards for short-term financing.<sup>22</sup> By contrast, of all small and midsize companies only 18% were forced to use this high cost method of financing short term debt.<sup>23</sup> In 1994, those findings remained unchanged when the NAWBO reported that 51% of women-owned businesses used credit cards to meet their capital needs.<sup>24</sup>

Women also have faced barriers in accessing the venture capital market -- a capital source identified by NTIA as a critical source for improved access and participation by minorities in telecommunications and other technology-based enterprises.<sup>25</sup> In 1994, *The Wall Street Journal* reported that experts estimate that less than 1% of the \$3 billion invested by institutional venture capitalists in 1993 was received by women-owned businesses.<sup>26</sup> In

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<sup>21</sup> Breaking the Boundaries at 2.

<sup>22</sup> The National Foundation for Women Business Owners, *Financing the Business: A Report on Financial Issues from the 1992 Biennial Survey of Women Business Owners* (1993) ("Financing the Business") at 9. A copy of Financing the Business is attached as Exhibit 6.

<sup>23</sup> *Id.*

<sup>24</sup> Breaking the Boundaries at 2.

<sup>25</sup> NTIA Capital Report at iii.

<sup>26</sup> Venture Capitalists Target Women Owned Businesses, New Funds See Opportunities for Investment in a Market Long Neglected, *The Wall Street Journal*, Jan. 6, 1994. (A copy of *The Wall Street Journal* article is attached as Exhibit 7).



addition, the paucity of female partners in traditional venture capital funds has been cited as a reason that women-owned businesses have been unable to access venture capital funds.<sup>27</sup> Only 7% of the partners and associates included in the 1986 Venture Capital Association Directory were female.<sup>28</sup> Testimony by venture capitalists before the NWBC indicates that perceptions and stereotypes of women contribute to the lack of venture funding committed to women-owned businesses. Venture capitalist experts told the NWBC that "women-owned businesses, even those seeking capital at the level which might interest venture capital sources, rarely fit the profile of the few ventures funded each year."<sup>29</sup>

Even successful women-owned businesses with a track record continue to face discrimination in funding. The NWBC found that:

Women in both high technology industries and telecommunications who actually had found funding in the \$6 to \$18 million range told of difficulties which seemed far beyond what should be expected for companies with records of successful and profitable operation. At this top level of small business as well as the start-up level, women do not fit traditional, comfortable profiles and compete less successfully for scarce expansion.<sup>30</sup>

The discrimination that exists against women entrepreneurs has been recognized by Congress. In 1988, Congress enacted the Women's Business Ownership Act of 1988 (the "Act"). Findings incorporated into the Act provide an accurate account of the discrimination that women-business owners faced in 1988 and continue to face in 1995.

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<sup>27</sup> *Id.*

<sup>28</sup> Holly E. Buttner, *Female Entrepreneurs: How Far Have They Come*, Business Horizons, Mar. 1993 at 54.

<sup>29</sup> NWBC Report at 8.

<sup>30</sup> *Id.*

These findings are applicable equally to the mass media industry. Congress found, in part:

- (A) women owned business has become a major contributor to the American economy by providing goods and services, revenues and jobs;<sup>31</sup>
- (B) over the past two decades there have been substantial gains in the social and economic status of women as they have sought economic equality and independence;
- (C) despite such progress, women, as a group, are subject to discrimination in entrepreneurial endeavors due to their gender;
- (D) such discrimination takes many overt and subtle forms adversely impacting the ability to raise or secure capital, to acquire managerial talents, and to capture market opportunities;
- (E) it is in the national interest to expeditiously remove discriminatory barriers to the creation and development of small business concerns owned and controlled by women;
- (F) the removal of such barriers is essential to provide a fair opportunity for full participation in the free enterprise system by women and to further increase the economic viability of the Nation.<sup>32</sup>

The traditional source of bank lending, a primary source for women-owned businesses, also has not been an area where women seeking to acquire mass media facilities have been able to access funds. Fifty-five percent of the members of the NAWBO reported having some form of credit with a financial institution and 56% reported having a regular working relationship with a particular bank official, whether a loan officer or account manger.<sup>33</sup> Banks have not proven to be a significant source of funds for women in mass media due to

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<sup>31</sup> The NFWBO estimates that women-owned businesses now employ more than 15.5 million workers, 35% more workers than are employed by the Fortune 500 companies worldwide. Breaking the Boundaries at 2.

<sup>32</sup> 15 U.S.C. § 631(h).

<sup>33</sup> NAWBO 1994 Membership Survey at 2.

the need for collateral and the gender-based perceptions regarding women. Women, more than men, confront difficulties in providing the collateral to secure a loan to purchase a mass media facility. The NFWBO found that close to one quarter of the women they surveyed cited the lack of collateral as their biggest financial barrier.<sup>34</sup> In addition, according to data from the NFWBO it is common practice for financial institutions to require women-owned businesses to have their husbands co-sign loan documents. Twenty percent of the women surveyed by the NFWBO stated that they have been asked to have their husbands co-sign loan documents.<sup>35</sup> Although women-owned businesses frequently use banks as a source of capital, fully two-thirds of women business owners report difficulties in working with their financial institutions according to the NFWBO.<sup>36</sup> In addition, women-owned businesses are 22% more likely to report problems dealing with their bank than are businesses at large.<sup>37</sup> The NFWBO concluded that fully one-third of women business owners perceive some degree of gender-based discrimination in seeking financing from financial institutions.<sup>38</sup>

## **2. A Case Study -- One Woman Entrepreneur**

The experience of one of AWRT's members further documents the inaccessibility of capital to women seeking to acquire mass media stations. An AWRT member in the Southwestern United States, as part of a group of women, completed a prolonged battle for an

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<sup>34</sup> Financing the Business at 5.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.* at 19.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.* at 5.

FM radio construction permit. Her cherished dream was to provide a radio format specifically targeting issues of concern to women. After nearly a decade of litigation that ended in a settlement when the case was before the Court of Appeals, the AWRT member obtained her permit. Although she had raised sufficient funds to litigate, construct and commence operations of the station, she now needed additional financing to make her programming dream a reality. By the time she had found her way through the comparative hearing process, the financial climate had soured. She sought funding from many sources for long-term operating capital in an amount of less than \$1,000,000.

The woman entrepreneur faced difficulties trying to obtain long range financing because she was a start-up business and a woman. Banks would not fund her because they would not consider the licenses as collateral. One major banker, the first financial institution she approached, literally laughed her out of his office because the banker did not believe, as a woman, she was capable of winning a radio license. Other banks made it quite clear that for her to be considered for long range financing each woman in her group and their spouses would have to sign personal guarantees for the requested money. Industry sources that provide Specialized Small Business Investment Company ("SSBIC") funds to minorities in broadcasting would not give her assistance since she is not a minority and her business was a start-up proposal. AWRT is unaware of any SSBICs for women in broadcasting. Individual investors, as well as venture capitalists, were willing to invest only if they had a majority of the equity and control over the programming. Because long-term funding could not be obtained, she made the painful decision to enter a time brokerage agreement with another radio station in her market in which she is allowing the other station to program her station

for the vast majority of each broadcast day. As a result, her original plan to provide diversity in broadcasting with programming for women had all but vanished. She will continue to adapt her programming idea in the limited public service programming time that she has retained for broadcast on her station.

**3. The Difficulties Women Face in Accessing Capital Is Gender-Based Not Performance-Based**

The difficulties encountered by women in accessing capital are attributable to gender biases that continue to control funding rather than actual business performance. The NFWBO has documented that women-owned businesses do not pose a greater financial risk than other U.S. firms. Specifically, based on a statistical model developed by Dun & Bradstreet to provide a Financial Stress Score, women-owned businesses were found to pose no greater risk of closing their doors than the average U.S. business.<sup>39</sup> In addition, women-owned firms had payment records very similar to the average U.S. business.<sup>40</sup> Despite these figures, women still face significant barriers in raising capital. Not surprisingly, the NFWBO found that many women reported that financial institutions view them as a greater credit risk "merely by virtue of their gender."<sup>41</sup> One-third of women business owners perceive some degree of gender-based discrimination in dealing with financial institutions.<sup>42</sup>

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<sup>39</sup> Breaking the Boundaries at 13.

<sup>40</sup> *Id.* at 14.

<sup>41</sup> *Id.* at 13.

<sup>42</sup> Financing the Business at 5.

**B.     Barriers To Advancement By Women Further Increase  
The Barriers To Ownership Of Mass Media Facilities**

Perpetuation of the glass ceiling that has prevented women from making significant inroads into senior corporate positions has also inhibited their entry into mass media ownership. In its recently released report on minority entrepreneurs in telecommunications, NTIA identified management experience as a key factor in accessing venture capital.<sup>43</sup> The Federal Glass Ceiling Commission, however, has documented that women have not made significant progress into the highest levels of corporate management. The Federal Glass Ceiling Commission report found that "[a]t the highest level of business, there is indeed a barrier only rarely penetrated by women or persons of color."<sup>44</sup> The report found not only few women and minorities in the highest level positions but also that "relatively few women and minorities are in the position most likely to lead to the top -- the pipeline."<sup>45</sup> These findings are significant when combined with the fact that the NWBC cited the marked lack of women with the technical and managerial expertise -- plus length of experience -- to start a successful telecommunications business as one of the primary impediments to women's entry into the telecommunications industry.<sup>46</sup>

**1.     The Glass Ceiling Has Not Shattered**

In its recent fact finding report, the Federal Glass Ceiling Commission found that women in corporate America believe there has been some movement through the glass ceiling

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<sup>43</sup> NTIA Capital Report at 16.

<sup>44</sup> Glass Ceiling Report at iii.

<sup>45</sup> *Id.* at iv.

<sup>46</sup> NWBC Report at 15.

but there is still a long way to go.<sup>47</sup> Only two women are CEOs of Fortune 1000 companies.<sup>48</sup> Over 95 to 97% of senior managers are men.<sup>49</sup> At the corporate board level women remain scarce. Fewer than 10% of the largest employers have women on their board of directors.<sup>50</sup> As managers, women represented 25.6% of the managers of transportation, communication and public utilities.<sup>51</sup> Significantly, in this broad industry category, women employees who are managers is the closest to that of men (10.1% and 15.2% respectively).<sup>52</sup> These numbers demonstrate that women may be acquiring the management experience required by financiers to move into ownership positions of communications establishments. However, a more focused analysis of the communications industry is necessary before that conclusion can be drawn.<sup>53</sup>

## **2. Wage and Advancement Differentials Continue To Exist Between Men and Women**

Finally, women continue to encounter wage discrimination and to lag behind men in promotions, according to the Federal Glass Ceiling Commission, even when women and men possess identical education attainment, ambition, and a commitment to career. The Federal

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<sup>47</sup> Glass Ceiling Report at 10. Ninety-three percent of the senior women executives surveyed felt that a glass ceiling for women still exists. *Id.* at 148.

<sup>48</sup> *Id.*

<sup>49</sup> *Id.* at 12.

<sup>50</sup> *Id.* Women are making strides in board membership. From 1993 to 1994 the number of women on Fortune 1000 boards increased 13%. *Id.* at 144.

<sup>51</sup> *Id.* at 17.

<sup>52</sup> *Id.* at 18.

<sup>53</sup> In addition, managers is an inclusive term not limited to senior level managers.

Glass Ceiling Commission cites the findings of a 1990 Business Week survey of a pool of 3,664 MBA graduates. The study found that a woman with an MBA from a top 20 business school earned an average of \$54,749 in her first year after graduation while a comparable man earned \$61,400 -- 12% more.<sup>54</sup> A 1993 study on the Stanford University Business School class of 1982 found

- 16% of the men were CEOs, chairmen of companies compared to only two percent of the women
- 23% of the men in the class were vice presidents while only 10% of the women held the title of vice president
- 15% of the male graduates were directors compared to 8% of the women.<sup>55</sup>

These numbers demonstrate that women have made inroads but that significant hurdles still exist to their full participation in corporate governance. Women who obtain this experience will be in a prime position to move into ownership positions and to overcome the barriers faced by women in accessing the capital markets.

Chairman Hundt has noted the significant lack of representation of women on the boards of leading associations in the communications industry. As reported by Chairman Hundt in a November 1994 speech, the National Association of Broadcasters has 63 board members; 5 are women. The National Cable Television Association has 31 board members; one is a woman. The Cellular Telecommunications Industry Association has 44 board members; all are men. The United States Telephone Association has 45 board members; two

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<sup>54</sup> *Id.* at 13.

<sup>55</sup> *Id.* at 14.



are women.<sup>56</sup>

**IV. THERE IS A LEGITIMATE AND SUBSTANTIAL  
GOVERNMENT INTEREST IN PROMOTING THE  
OWNERSHIP OF MASS MEDIA FACILITIES BY WOMEN**

The communications industry has been identified as a key growth area for entrepreneurs and for women by NTIA and the Federal Glass Ceiling Commission. Women are ready to seize the opportunities for ownership in the industry if they can surmount the existing discriminatory barriers that remain. As demonstrated above, women face greater costs of capital and barriers to capital when attempting to finance the purchase of mass media facilities. These barriers do not appear to be faced by non-minority men.

Promotion of economic opportunity for women is a substantial government interest that will be advanced by the adoption of the initiatives proposed by the Commission in the Notice. An increase in ownership will not only promote economic opportunity for women but for the United States as a whole. According to the NFWBO, employment growth in women-owned businesses exceeds the national average by a substantial margin. From 1991 to 1994, employment among commercially active women-owned firms grew 11.6% compared to a 5.3% growth rate for all U.S. firms.<sup>57</sup> As noted by Secretary of Labor Robert Reich in his introduction to the Federal Glass Ceiling Commission's Report, shattering the glass ceiling both serves our national values and makes our businesses stronger.<sup>58</sup> The same is true for shattering the glass ceiling to mass media ownership.

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<sup>56</sup> *Chairman Reed E. Hundt Speech Before the Women of Wireless* (Nov. 4, 1995).

<sup>57</sup> *Breaking the Boundaries* at 2.

<sup>58</sup> *Federal Glass Ceiling Commission Report* at v.